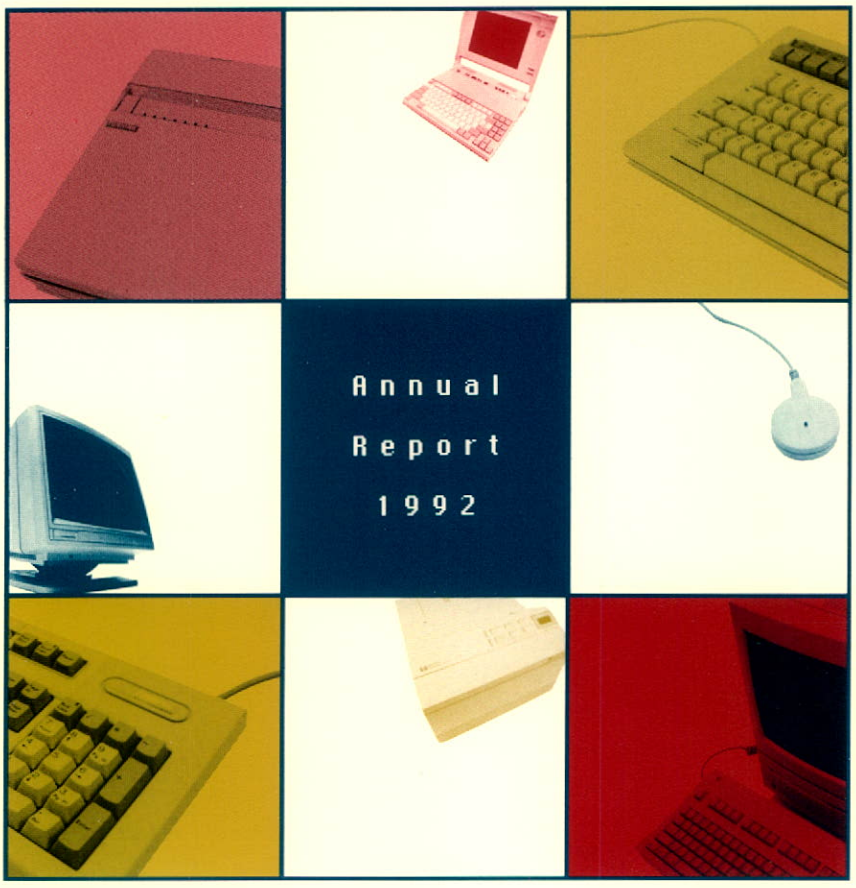

The Hamilton Group Limited

HOWARD ROSS LIBRARY
OF MANAGEMENT
OCT 5 1992
McGILL UNIVERSITY

MISSION STATEMENT

WE ARE COMMITTED TO BUILDING LONG-TERM RELATIONSHIPS WITH OUR CUSTOMERS BY PROVIDING SUPERIOR SERVICE AND BY DEVELOPING SOLUTIONS THAT SATISFY THEIR UNIQUE AND CHANGING REQUIREMENTS. ■ WE STRIVE TO MAKE THEIR EXPERIENCE WITH US TROUBLE-FREE AND ONE THAT THEY WILLINGLY SHARE WITH OTHERS.

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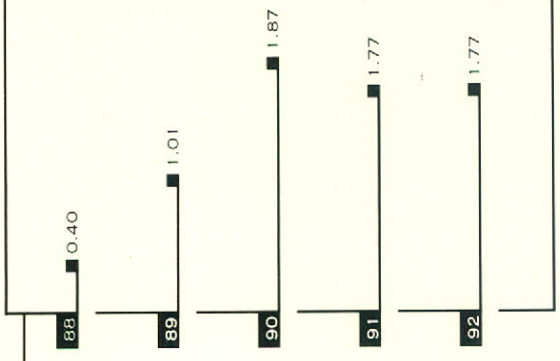
HIGHLIGHTS

(DOLLARS IN THOUSANDS EXCEPT FOR PER SHARE DATA)	1992	1991	1990	1989	1988
GROSS INCOME	$ 172,373	$ 139,868	$ 129,231	$ 80,108	$ 74,305
INCOME BEFORE EXTRAORDINARY ITEMS	4,606	4,598	4,823	2,569	990
NET INCOME	4,606	4,598	4,074	2,895	5,077
TOTAL ASSETS	76,852	62,165	58,720	43,474	43,661
TOTAL LIABILITIES	47,548	37,227	38,094	26,708	30,125
DEBT*	22,810	17,114	17,261	10,219	14,273
EQUITY	29,304	24,938	20,626	16,766	13,536
DEBT-TO-EQUITY RATIO	0.78	0.69	0.84	0.61	1.05
EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEMS	1.77	1.77	1.87	1.01	0.40
EARNINGS PER SHARE	1.77	1.77	1.58	1.14	2.06
NUMBER OF CLASS A AND B SHARES OUTSTANDING	2,613,072	2,600,434	2,593,538	2,576,153	2,465,461

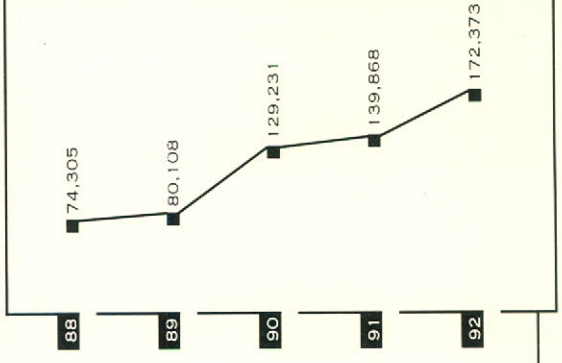
*DEBT IS CALCULATED AS: (BANK DEBT + LONG-TERM DEBT + OBLIGATION UNDER CAPITAL LEASES)

THE ABOVE HIGHLIGHTS ARE AS REPORTED IN THE ANNUAL REPORTS FOR THE YEARS NOTED.
THEY HAVE NOT BEEN RESTATED TO REFLECT ACCOUNTING CHANGES IN YEARS SUBSEQUENT TO THE REPORTED YEAR.

EARNINGS PER SHARE BEFORE EXTRAORDINARY ITEMS



GROSS INCOME (THOUSANDS)



TO OUR SHAREHOLDERS

THE FISCAL YEAR ENDED APRIL 30, 1992 WAS ANOTHER SUCCESSFUL ONE FOR OUR COMPANY. WE WERE ABLE TO PRODUCE IMPRESSIVE REVENUE GROWTH AND SOLID PROFITABILITY DESPITE OUR COUNTRY'S ECONOMIC TROUBLES AND THE MUCH PUBLICIZED PROBLEMS OF OUR INDUSTRY.

FINANCIAL RESULTS

OUR REVENUE FOR THE 1992 FISCAL YEAR WAS $172.4 MILLION WHICH REPRESENTS A 23% INCREASE OVER 1991 REVENUE OF $139.9 MILLION. NET INCOME OF $4.6 MILLION WAS VIRTUALLY UNCHANGED FROM THE $4.6 MILLION FROM LAST YEAR. THIS YEAR'S NET INCOME INCLUDES A PREVIOUSLY UNRECOGNIZED GAIN OF $453 THOUSAND RELATED TO THE DISPOSAL OF OUR U.S. SUBSIDIARY FOUR YEARS AGO. THERE WERE NO EXTRAORDINARY ITEMS IN EITHER YEAR.

OUR BALANCE SHEET REMAINS IN GOOD SHAPE WITH A CLOSING DEBT/EQUITY RATIO OF .78:1 AND UNUTILIZED CREDIT LINES OF APPROXIMATELY $ 13.2 MILLION. IF THE DEBT SPECIFICALLY MATCHED TO OUR LEASING PORTFOLIO WAS REMOVED THE DEBT EQUITY RATIO ON THE REST OF THE COMPANY'S OPERATIONS WOULD BE 0.46:1. THE SAME COMPARISON LAST YEAR WOULD HAVE YIELDED A RATIO OF 0.44:1.

OPERATIONS

ALL OF OUR BUSINESS UNITS PERFORMED WELL THIS YEAR WITH THE EXCEPTION OF OUR RENTAL BUSINESS. RENTAL REVENUE DECLINED APPROXIMATELY TWENTY PERCENT YEAR OVER YEAR AND THE RENTAL BUSINESS WAS ALSO IMPACTED NEGATIVELY BY THE RAPID PRICE DECLINES IN THE INDUSTRY WHICH NECESSITATED INCREASED DEPRECIATION PROVISIONS. SIMILAR DECLINES WERE EXPERIENCED BY OUR COMPETITORS AND WE ANTICIPATE THAT OUR RENTAL BUSINESS WILL REMAIN SOFT UNTIL THE ECONOMY IMPROVES.

OUR LEASING BUSINESS HOWEVER, POSTED A VERY IMPRESSIVE GROWTH RATE OF 53%. COMPANIES ARE BECOMING MORE AND MORE INTERESTED IN FINDING DIFFERENT WAYS OF PROTECTING THEIR INVESTMENT IN TECHNOLOGY FROM OBSOLESCENCE. HAMILTON'S SOPHISTICATED AND FLEXIBLE FINANCING ALTERNATIVES HAVE PROVIDED SOLUTIONS FOR THIS REQUIREMENT WITH OUR LEASING BUSINESS BEING A MAJOR BENEFICIARY IN THE PAST YEAR. LEASING (AS WELL AS OUR OTHER FLEXIBLE FINANCIAL OFFERINGS) IS AN EXCELLENT MEANS OF FORMING LONG-TERM RELATIONSHIPS WITH OUR CUSTOMERS AND WILL CONTINUE TO BE AN AREA OF EMPHASIS FOR US IN THE FUTURE.

OUR SALES OF NEW COMPUTER PRODUCTS WERE SURPRISINGLY STRONG IN LIGHT OF THE ECONOMY AND THE DIFFICULT YEAR THAT MOST OF THE MANUFACTURERS EXPERIENCED WHOSE PRODUCTS WE CARRY. MUCH OF OUR GROWTH WAS FUELED BY OUR RELATIVELY RECENT PARTNERSHIP WITH APPLE AND DEC'S MORE AGGRESSIVE ENTRY INTO PERSONAL COMPUTERS.

WE EXPERIENCED ANOTHER STRONG YEAR WITH RESPECT TO THE SALE OF RECONDITIONED PRODUCTS. OUR GROWTH IN THIS UNIT WAS IN EXCESS OF 30%. WE ANTICIPATE THAT THIS AREA WILL CONTINUE TO PROVIDE US WITH EXCITING GROWTH OPPORTUNITIES FOR THE FORESEEABLE FUTURE. THIS IS A "NATURAL" FOR HAMILTON'S SINCE, AS A RESULT OF OUR RENTAL BUSINESS, WE HAVE ACCESS TO SUPPLY, PRODUCT KNOWLEDGE, AND RECONDITIONING EXPERTISE THAT IS DIFFICULT FOR COMPETITORS TO MATCH.

OUR INVESTMENT IN THE "SERVICES" SIDE OF OUR BUSINESS CONTINUED TO PAY OFF HANDSOMELY THIS YEAR. WE SHOWED STRONG GROWTH IN ALL ASPECTS OF THIS BUSINESS: NETWORKING AND CONNECTIVITY SOLUTIONS, SOFTWARE SUPPORT, DISASTER RECOVERY, AND TRADITIONAL "BREAK AND FIX" SERVICE. THIS IS AN AREA WE WILL CONTINUE TO INVEST HEAVILY IN. ALL CUSTOMERS ARE LOOKING FOR "COMPLETE" SOLUTIONS FROM THEIR CHOSEN DEALER AND THE MOST SUCCESSFUL COMPANIES IN OUR INDUSTRY IN THE FUTURE WILL BE THE ONES WHO BEST SATISFY THEIR DEMANDS.

The Future

As we have outlined in previous Annual Reports our industry is changing very quickly. This is occurring at both the manufacturer level where clone manufacturers and rapid changes in technology have forced the "majors" such as Compaq and IBM to dramatically rethink their strategies, and at the dealer level where shrinking gross margins and competition from mail-order and superstore companies have forced massive consolidation and a different approach to bringing value to customers.

To date this has been an environment to which we have adapted well. Hamilton has never been a "box-mover" (i.e. a company that adds no value to the products it sells) and has always been differentiated from our competition through our creative financial offerings. We believe our differentiation is particularly well-suited to the current environment. Customers, because of rapid technological changes, are increasingly reluctant to commit to one technology platform. Our ability to be their "Asset Managers" and reduce their obsolescence risk through our combination of new, reconditioned, leasing and rental offerings and a variety of creative programs such as guaranteed buybacks, "reases" and "lentals" is a strategy which continues to gain an enthusiastic reception from our customer base. Couple this with our increasing investment in systems integration, networking and connectivity solutions, disaster recovery and software support and we think we are positioned very well for the future.

Nevertheless there are more structural changes to come in our industry. These will be precipitated by the desires of large customers to have a very limited number of suppliers for their information systems requirements and their insistence that those suppliers have size and financial strength. It was the anticipation of these trends that caused us to seek our proposed merger with JWP Inc. which we announced just after year end. In the proposed transaction our shareholders would have exchanged their shares in Hamiltons for shares in JWP which would have yielded a value to our shareholders of approximately $15.30 Cdn per Hamilton share as long as JWP shares were trading above $12.50 U.S. We had the right to terminate the deal if JWP shares fell below $12.50 U.S.

Left to right: ■ Ron Leeder, Vice-President Systems Division ■ Perry Monych, Vice-President Finance & Planning, ■ Bill Young, President ■ Steve Meadley, Vice-President & Controller ■ Robert Boulet, Vice-President Personal Computer Division ■ Pat Nielsen, Vice-President Services Division

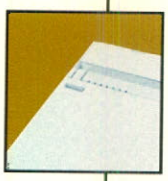
As it turned out JWP shares fell substantially below $12.50 U.S. as a result of internal problems discovered subsequent to the announcement of our transaction and we exercised our right to terminate the transaction. Our discussions with JWP have been suspended for the time being.

With or without a partner Hamilton remains in both a strong financial and competitive position. We believe that our differentiation through creative asset management, strong service and support and our emphasis on customer retention, will continue to yield above average returns for our shareholders. Much of our success has been due to the tireless efforts of our employees who have been terrific in navigating our company through difficult times. I thank them for their continued support.

Bill Young, President

STRENGTH THROUGH DIVERSITY

HAMILTON COMPUTER SALES AND RENTALS (HCSR) HAS DEVELOPED A PORTFOLIO OF PRODUCTS TO MEET THE COMPLEX NEEDS OF CANADIAN BUSINESS. THIS PORTFOLIO INCLUDES PRODUCTS FROM THE MAJOR MICRO- AND MINI- HARDWARE MANUFACTURERS, SOFTWARE HOUSES, AND NETWORKING MANUFACTURERS. TOGETHER WITH OUR FLEXIBLE SALES, RENTAL, AND LEASING CAPABILITIES AND OUR SERVICE ORGANIZATION, WE CONTINUE TO LEAD THE INDUSTRY WITH CREATIVE BUSINESS SOLUTIONS. THESE SOLUTIONS ARE IN MANY CASES UNIQUE TO HCSR.



HARDWARE PORTFOLIO

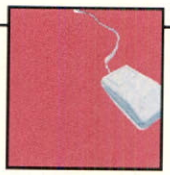
HCSR HAS BEEN PROVIDING MICRO-COMPUTER, MINI-COMPUTER, AND NETWORKING SOLUTIONS FOR THE PAST THIRTEEN YEARS. OVER THIS TIME WE HAVE SELECTED PRODUCTS FROM THE MAJOR MANUFACTURERS BASED ON THE EVOLVING NEEDS OF OUR CUSTOMERS. THIS IS AN ON-GOING PROCESS AS WE CONTINUE TO REASSESS EXISTING TECHNOLOGY AND EVALUATE INNOVATIONS IN THIS RAPIDLY CHANGING INDUSTRY.

MICRO-COMPUTERS

HCSR IS A NATIONALLY AUTHORIZED DEALER FOR THE FOLLOWING MANUFACTURERS: APPLE, COMPAQ, DIGITAL, HEWLETT-PACKARD, IBM, AND TOSHIBA. WE HAVE DEVELOPED CLOSE PARTNERSHIPS WITH THESE MANUFACTURERS TO ENSURE THAT WE CAN PROVIDE THE MOST CURRENT INFORMATION AND COMPETITIVE PRICING TO OUR CUSTOMERS. THESE CUSTOMERS INCLUDE LARGE AND MEDIUM-SIZED BUSINESSES AND GOVERNMENT AGENCIES ACROSS CANADA.

MINI-COMPUTERS

HCSR IS THE LARGEST DISTRIBUTER OF DIGITAL COMPUTERS IN CANADA. OUR SUCCESS IN THIS AREA IS LARGELY DUE TO OUR WELL KNOWN DELIVERY, INSTALLATION, AND SUPPORT CAPABILITIES, AND MOST IMPORTANTLY OUR CREATIVE FINANCING PACKAGES.



NETWORKS

OVER THE PAST FIVE YEARS, HCSR HAS CONTINUED TO INVEST IN NETWORKING EXPERTISE WITH A FOCUS ON MULTI-PLATFORM INTEGRATION. WE HAVE INSTALLED OVER 500 LOCAL AREA NETWORKS WITH MORE THAN 6,000 NODES OR CONNECTIONS. HCSR IS IN THE UNIQUE POSITION OF BEING THE ONLY NATIONALLY AUTHORIZED DEALER WHICH PROVIDES INTEGRATED DIGITAL TO MS/DOS AND APPLE SOLUTIONS. WE OFFER ETHERNET, TOKEN RING AND LOCALTALK SOLUTIONS, AND INDUSTRY-STANDARD SOFTWARE FROM NOVELL, MICROSOFT, APPLE, DIGITAL, AND IBM.

RECONDITIONED EQUIPMENT

HCSR IS THE LARGEST DEALER OF RECONDITIONED MICRO- AND MINI- COMPUTERS IN CANADA. RIGOROUS QUALITY CONTROL AND A COMPREHENSIVE SERVICE PROGRAM ACCOUNT FOR OUR STRENGTH IN THIS MARKET. THE EQUIPMENT WE SELL IS DRAWN FROM A VARIETY OF SOURCES INCLUDING OUR RENTAL POOL, TRADE-INS, AND LEASE MATURITIES.

FINANCIAL PORTFOLIO

HCSR'S FLEXIBLE FINANCING CAPABILITIES PLAY A KEY ROLE IN OUR DIFFERENTIATION STRATEGY. EXPERTISE GAINED THROUGH OUR RENTING AND LEASING ACTIVITIES HAS ALLOWED US TO DEVELOP A NUMBER OF UNIQUE FINANCIAL PRODUCTS. THESE PRODUCTS PROVIDE OUR CUSTOMERS WITH THE ABILITY TO MATCH INFORMATION PROCESSING SOLUTIONS TO THEIR FINANCIAL RESOURCES. ADDITIONALLY, A NUMBER OF THE FINANCIAL PRODUCTS OFFER A FORM OF INSURANCE AGAINST EQUIPMENT OBSOLESCENCE OR CHANGING BUSINESS ENVIRONMENTS.

SHORT-TERM RENTALS

AS CANADA'S LARGEST COMPUTER RENTAL ORGANIZATION, HCSR OFFERS BOTH SHORT-TERM AND LONG-TERM RENTALS. SHORT-TERM RENTALS GENERALLY RUN FROM ONE TO THIRTY DAYS. CUSTOMERS THAT REQUIRE EQUIPMENT FOR IN-HOUSE TRAINING, TRADE SHOWS OR SOME OTHER TEMPORARY NEED TAKE ADVANTAGE OF THIS PROGRAM.

LONG-TERM RENTALS

LONG-TERM RENTALS COVER PERIODS FROM ONE TO TWELVE MONTHS. THESE RENTALS ARE SUITED TO COMPANIES WHOSE BUSINESS IS SEASONAL IN NATURE OR PROJECT ORIENTED. FIRMS THAT MUST ALWAYS BE AT THE FOREFRONT OF TECHNOLOGY ALSO UTILIZE LONG TERM RENTALS. FINALLY, COMPANIES THAT HAVE OPERATING FUNDS AVAILABLE BUT MAY BE UNDER CAPITAL CONSTRAINTS SEEK LONG TERM RENTALS TO SOLVE IMMEDIATE INFORMATION PROCESSING REQUIREMENTS.

OPERATING LEASES

OPERATING LEASES PROVIDE SOLUTIONS TO CUSTOMERS WHO WISH TO ELIMINATE "TECHNOLOGY RISK". AS TECHNOLOGY CONTINUES TO EVOLVE AT A RAPID RATE, OWNERSHIP REMAINS WITH HCSR. OPERATING LEASES GENERALLY HAVE TERMS OF TWENTY FOUR TO THIRTY SIX MONTHS. THESE LEASES ARE STRUCTURED TO SATISFY THE SPECIFIC NEEDS OF THE CUSTOMER.

CUSTOM FINANCIAL PROGRAMS

IN ADDITION TO OUR "RENT-TO-OWN" PROGRAM WHICH ALLOWS FOR ACCRUALS TOWARDS EQUIPMENT PURCHASES,

HCSR has developed a number of unique financing options. These include "Reases" which enable customers to convert rentals to leases, and "Lentals" which allow for the early termination of leases by converting them to rentals. This flexibility is particularly important to our customers given this challenging economy.

Many of our larger customers enjoy the security of HCSR's "Guaranteed Buy-Back" program. We will buy back up to 35% of their computer equipment at 60% of the original purchase price up to one year after acquisition. This instant liquidity offers additional asset management flexibility to our customers. Finally, HCSR has developed a "turn-key" Employee Purchase Plan. This plan provides the financial and marketing support necessary to ensure successful implementation of the program, with the resulting increases in employee satisfaction and productivity.

SERVICE AND SUPPORT PORTFOLIO

HCSR's investment in a central "Service Management System" ensures that our customers benefit from enhanced service capabilities including faster response time, fault escaation, inventory control, and reporting. Our professional field service organization, backed by a highly qualified manu- facturer trained "Technical Support" team, is capable of providing hardware, software, and networking service and support on a national basis.

SYSTEMS INTEGRATION

As part of HCSR's long term strategy and focus on client needs, systems integration professional services have been added over the past year. The organization is adapting to changing market needs and meeting the new information system requirements of our client base. The group's specializations involve interconnectivity of heterogeneous systems platforms, wide area network data communication and client server platforms. HCSR is one of the only canadian suppliers to have direct systems vendor relationships with the two major mainframe manufacturers IBM and Digital. In partnering with our clients HCSR's systems integration group provides seasoned expertise in design, project management, procurement, implementation, and long term systems support for national projects.

HARDWARE MAINTENANCE

HCSR's maintenance program provides a number of features including:

- ➔ priority response and turnaround
- ➔ unlimited calls
- ➔ price protection
- ➔ call screening
- ➔ network support

Additionally, customers have the ability to upgrade or extend manufacturer's warranties. Finally, all contracts include the option of receiving mon-thly reports outlining the service calls placed, the types of problems encountered, and the corrective action taken.

SOFTWARE SUPPORT

HCSR's Software Support program provides a three tiered approach: telephone, remote, or on-site support. This support covers products ranging from operating system software to applications running in the DOS, Windows, Apple, UNIX, or LAN environments.

NETWORK MANAGEMENT

As an authorized dealer of the major networks, HCSR provides network consulting, design services, engineering, installation and testing, and network maintenance. Further services include fine tuning, preventative maintenance, databack up and supervisory functions.

INSTALLATION

HCSR has a solid foundation of experience in hardware and software installation, de-installation and moving. Network installation is a two step process. Our installation centre performs the initial loading, diagnostics, and "burn-in" before shipment. On-site service completes the installation with the initialization of network volumes and directories, loading of log-in procedures, and loading of applications.

DISASTER RECOVERY

HCSR offers an innovative and cost effective Disaster Recovery program for our Digital and PC/LAN customers across the country. In the event of a disaster, subscribers have access to a fully compatible replacement configuration within forty eight hours, set up in a location of their choice. Test time is provided for subscribers to conduct periodic tests under a variety of simulated disaster situations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE HAMILTON GROUP LIMITED IS ONE OF CANADA'S LARGEST DISTRIBUTORS OF COMPUTER PRODUCTS OFFERING "BUSINESS SOLUTIONS" TO CORPORATE CLIENTELE. THE COMPANY DIFFERENTIATES ITSELF IN THE MARKETPLACE BY OFFERING CREATIVE FINANCIAL OPTIONS TAILORED TO THE NEEDS OF ITS CUSTOMERS. THE COMPANY CARRIES ON THE BUSINESS OF COMPUTER EQUIPMENT SALES, RENTAL, LEASING, AND SERVICE OPERATIONS UNDER THE NAME HAMILTON COMPUTER SALES AND RENTALS.

RESULTS OF OPERATIONS

GROSS INCOME:

GROSS INCOME FOR 1992 AT $172.4 MILLION INCREASED BY 23% FROM $139.9 MILLION IN 1991. GROSS INCOME CONSISTS PRIMARILY OF NEW EQUIPMENT SALES, RENTAL AND LEASE INCOME, RECONDITIONED EQUIPMENT SALES, AND SERVICE INCOME FOR BOTH MINI-AND MICRO-COMPUTERS. WITH THE EXCEPTION OF THE RENTAL BUSINESS, ALL AREAS OF OUR BUSINESS PERFORMED SATISFACTORILY IN THE PAST YEAR. NEW SALES OF BOTH MINI-AND MICRO-COMPUTERS GREW DESPITE THE CONTINUING TREND IN THE INDUSTRY TO LOWER PRICES. THE COMPANY'S RATE OF GROWTH WAS BETTER THAN THAT OF THE INDUSTRY.

OVER THE PAST TWO YEARS, THE COMPUTER INDUSTRY HAS EXPERIENCED A NUMBER OF SIGNIFICANT PRICE DECREASES ON EXISTING AND NEW PRODUCT ANNOUNCEMENTS. AT THE SAME TIME, COMPETITIVE PRESSURES IN THE MARKETPLACE HAVE LOWERED GROSS MARGIN PERCENTAGES. THIS HAS RESULTED IN LOWER AVERAGE UNIT PRICES, MEANING THE COMPANY HAS TO SELL MORE UNITS TO MAINTAIN THE SAME LEVEL OF REVENUE. WE EXPECT THIS TREND TO CONTINUE IN THE NEXT TWELVE MONTHS.

RENTAL AND LEASE INCOME IS COMPRISED OF SHORT-TERM RENTALS WITH A TERM OF ONE TO THIRTY DAYS, LONG-TERM RENTALS WITH TERMS FROM ONE TO TWELVE MONTHS AND LEASES PRIMARILY WITH A TWENTY-FOUR TO THIRTY-SIX MONTH TERM. THE MARKET FOR RENTALS HAS DECLINED OVER THE PAST YEAR. THE ECONOMIC RECESSION HAS CURTAILED PROJECT RELATED DEMAND, AND DEMAND FROM CUSTOMERS WHO MUST HAVE PRODUCTS THAT ARE AT THE FOREFRONT OF TECHNOLOGY. THIS HAS AFFECTED OUR LONG-TERM RENTAL BUSINESS. AS WELL, COMPANIES HAVE CUT BUDGETS FOR IN-HOUSE TRAINING AND TRADE SHOWS WHICH ARE A PRIME MARKET FOR OUR SHORT-TERM RENTALS. LOWER UNIT PRICING HAS ALSO HAD AN IMPACT ON ABSOLUTE RENTAL RATES. THE COMPANY EXPECTS THAT RENTAL INCOME WILL REMAIN AT THE CURRENT LEVEL IN THE NEAR FUTURE DUE TO THE CONTINUED TREND TOWARDS LOWER UNIT PRICING AND THE CURRENT ECONOMIC CONDITIONS.

THE SALE OF RECONDITIONED EQUIPMENT CONTINUES TO BE AN IMPORTANT PART OF OUR BUSINESS. RECONDITIONED EQUIPMENT SALES GREW BY 32% IN 1992 OVER 1991. EQUIPMENT THAT HAS BEEN USED IN THE RENTAL POOL OR PURCHASED AS A TRADE-IN FROM CUSTOMERS IS REFURBISHED AND SOLD OR LEASED TO OUR CUSTOMER BASE. EQUIPMENT IS ALSO SOLD TO REMARKETERS AS PART OF THE MANAGEMENT OF THE RENTAL POOL. RECONDITIONED EQUIPMENT SALES ARE EXPECTED TO CONTINUE A STRONG GROWTH AREA OF THE COMPANY IN THE FUTURE.

SERVICE REVENUE GREW 25%. THIS IS AN AREA THE COMPANY EXPECTS TO SEE GROWTH AND OPPORTUNITY. GROWTH HAS BEEN IN THE HARDWARE, SOFTWARE AND NETWORK SERVICE AND SUPPORT AREAS. THE COMPANY'S FOCUS IS ON OFFERING UNIQUE

technical solutions to customers and expansion of hardware and software.

Gross Margins:

Overall gross margins were 19% in 1992 and 22% in 1991. The decrease is partially due to a high mix of sales as opposed to rentals as well as due to lower margins on sales of new equipment and on rental and lease income. The competitive fight for marketshare among major product and clone product manufacturers in the computer industry has resulted in lower street prices. Dealers in the distribution channel are also faced with more competition and have discounted prices in an attempt to cover fixed operating costs and meet manufacturer volume commitments. Until the economy improves or the marketplace forces unprofitable dealers to exit, we expect this trend to continue.

At the same time, however, there is strong demand from customers. In periods of economic downturn, companies focus on increasing employee productivity and realize that this can be achieved through investment in technology products. There is a continuing demand for computer products.

Gross margins on rentals and leases have also declined in 1992. This decline is due to accelerated depreciation that is required as the frequency of new product announcements has shortened the technological life of older models. In addition, with the decline in the rental base, utilization of equipment has not been as high in 1992 as previous years. The time period required for return of the equipment, reconditioning and remarketing, has a negative impact on rental gross margins. Rental rates as a percentage of cost have remained constant in 1992 and 1991.

Expenses:

Total selling, general and administrative expenses rose 16% to $23.4 million in 1992 from $20.2 million in 1991. Selling general and administrative expenses have declined as a percentage of revenue to 13.6% in 1992 from 14.4% in 1991. This has been a result of the Company's focus on controlling selling general and administrative expenses. Offsetting selling general and administrative expenses are manufacturer's co-operative marketing funds. These funds are provided on a formula basis (that is subject to change at any time) to offset various marketing and promotional expenses. These funds have decreased to 2.7% of new equipment sales in 1992 from 3.4% of new equipment sales in 1991.

Interest expense for the year decreased to $2.6 million in 1992 from $3.0 million in 1991. The decrease in interest expense is due to the lower average rate of interest paid on indebtedness in 1992 of 13.2% as compared to 14.4% in 1991.

Net Income:

Net income for 1992 was the same as the previous year at $4.6 million. Net income in 1992 includes an additional gain on the disposition of HGL Software Limited a former subsidiary for $453,000. Net income as a percentage of gross income was 2.7% in 1992, as compared to 3.3% in 1991. Pretax return on average equity was 28% in 1992 and 35% in 1991.

Liquidity and Capital Resources

Cash From Operations:

Funds provided from operations totalled $1.7 million during 1992 compared to $5.0 million in 1991. This decrease is attributable to the higher level of accounts receivable arising from the increase in gross income. The increase in equipment for sale, arising from the increased growth in new equipment sales, has been offset with a decline in the net book value of equipment for rental. The decline in growth in rental income combined with increased depreciation on equipment for rental has resulted in a net decrease in the total amount of rental equipment. In periods of substantial growth in rental income, borrowings are required to finance the increase in equipment for rental. Conversely when rental income does not grow, the rental business generates a positive cash flow.

Accounts receivable and equipment for sale are the primary indicators of liquidity as they are convertible into cash in a relatively short period of time, and thus will satisfy normal operating cash requirements. There has been a slight increase in the collection period of accounts receivable, at 48 days of sales outstanding at April 30, 1992 compared to 47 days of sales at April 30, 1991. This increase is attributable to slower payment cycles by our customers. New equipment for sale on hand at April 30, 1992 was 38 days of sales compared to 35 days of sales at April 30, 1991.

Investment Activities:

Leases receivable increased by $6.0 million in 1992 as compared to $3.2 million in 1991. There has been strong demand for the Company's lease offerings in the past year. Funding of the leases receivable is through long-term debt with the terms being matched to those of the lease portfolio.

Cash required for fixed asset purchases in 1992 of $1.2 million was comparable to the prior year's total of $1.3 million. The Company had no cash commitments as of April 30, 1992 for capital expenditures.

Financing Activities:

The Company has a line of credit with its bankers totaling approximately $26.0 million of which $12.8 million was used at year end. At April 30, 1992 the Company had a strong balance sheet giving it more than adequate financial resources to meet future financing needs.

Financial position at the end of 1992 was strong with long-term debt comprising 38% of total capitalization. Earnings before Interest and Taxes/Interest, (Interest Coverage) was 3.9 in 1992 compared to 3.7 in 1991. The Company anticipates maintaining the present mix of debt and equity.

Outlook

The Company feels that it is in a strong competitive position focusing on customers who value a "one stop approach" when purchasing all their computer related goods and services. We are the only national reseller, representing the industry's major manufacturers, to sell, rent or lease, and/or service both new and used mini-and micro-computers.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of The Hamilton Group Limited have been prepared by the management of the Company who are responsible for their integrity and objectivity. To fulfill this responsibility, the Company maintains appropriate systems of internal control, policies and procedures to ensure that its reporting practices and accounting and administration procedures are of high quality. The financial information presented throughout this Annual Report is consistent with the information contained in the financial statements.

The Company's Audit Committee is appointed by the Board of Directors annually, consisting solely of outside Directors. The Committee meets periodically with management, as well as the independent auditors, to satisfy itself that management and the independent auditors are each properly discharging their responsibilities, and to review the financial statements and the independent auditors' report. The Audit Committee reports to the Board of Directors prior to the Board approving the financial statements for issuance to the shareholders.

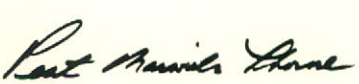
The financial statements have been examined by KPMG Peat Marwick Thorne, the independent auditors, on behalf of the shareholders. Their report outlines the nature of their examination and expresses their opinion on the financial statements of the Company.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of The Hamilton Group Limited as at April 30, 1992 and 1991 and the statements of income and retained earnings and changes in financial position for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 1992 and 1991 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.



Chartered Accountants

Hamilton, Canada

June 19, 1992

STATEMENTS OF INCOME AND RETAINED EARNINGS

APRIL 30, 1992 AND 1991 (DOLLARS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

	1992	1991
GROSS INCOME	$ 172,373	$ 139,868
DIRECT COSTS	139,141	108,680
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	33,232	31,188
OPERATING INCOME	23,367	20,167
INTEREST EXPENSE, INCLUDING 1992 - $1,948 AND 1991 - $2,680 ON LONG-TERM DEBT	9,865	11,021
GAIN ON SALE OF SUBSIDIARY (NOTE 8)	2,642	2,961
INCOME BEFORE INCOME TAXES	(453)	–
INCOME TAXES (NOTE 9)	7,676	8,060
NET INCOME	3,070	3,462
	4,606	4,598
RETAINED EARNINGS, BEGINNING OF YEAR	13,930	9,747
LESS:		
PREMIUM ON SHARE PURCHASE AND CANCELLATION	22	102
DIVIDENDS	312	313
RETAINED EARNINGS, END OF YEAR	$ 18,202	$ 13,930
EARNINGS PER SHARE		
BASIC	$ 1.77	$ 1.77
FULLY-DILUTED	$ 1.69	$ 1.69

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

BALANCE SHEETS

APRIL 30, 1992 AND 1991 (DOLLARS IN THOUSANDS)	1992	1991
ASSETS		
CURRENT ASSETS		
ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR DOUBTFUL ACCOUNTS	$ 28,158	$ 20,303
CURRENT PORTION OF LEASES RECEIVABLE (NOTE 3)	8,032	5,232
EQUIPMENT FOR SALE OR RENTAL (NOTE 2)	27,352	27,302
DEFERRED INCOME TAXES	1,038	–
PREPAID EXPENSES	680	1,035
	65,260	53,872
LEASES RECEIVABLE (NOTE 3)	9,207	5,997
FIXED ASSETS (NOTE 4)	2,385	2,296
	$ 76,852	$ 62,165
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
BANK INDEBTEDNESS (NOTE 5)	$ 2,986	$ 303
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (NOTE 5)	21,982	17,550
INCOME TAXES	1,226	1,606
DEFERRED REVENUE	1,530	570
CURRENT PORTION OF LONG-TERM DEBT	6,403	1,403
DEFERRED INCOME TAXES	–	387
	34,127	21,819
LONG-TERM DEBT (NOTES 5 AND 6)	13,421	15,408
	47,548	37,227
SHAREHOLDERS' EQUITY		
CAPITAL STOCK (NOTE 7)	11,102	11,008
RETAINED EARNINGS	18,202	13,930
	29,304	24,938
	$ 76,852	$ 62,165
COMMITMENTS (NOTE 11)		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

ON BEHALF OF THE BOARD:

WILLIAM J. YOUNG, DIRECTOR

ROGER L. MARTIN, DIRECTOR

STATEMENTS OF CHANGES IN FINANCIAL POSITION

APRIL 30, 1992 AND 1991 (DOLLARS IN THOUSANDS)

	1992	1991
OPERATING ACTIVITIES		
NET INCOME	$ 4,606	$ 4,598
ADD (DEDUCT) ITEMS NOT AFFECTING CASH		
DEPRECIATION AND AMORTIZATION	9,557	10,249
DEFERRED INCOME TAXES	(1,425)	(632)
GAIN ON SALE OF SUBSIDIARY	(453)	–
NET CHANGES IN NON-CASH BALANCES RELATING TO OPERATIONS		
INCREASE (DECREASE) IN LIABILITIES OTHER THAN BORROWINGS	5,012	(89)
NET PROCEEDS ON DISPOSAL OF EQUIPMENT FOR RENTAL	13,516	10,100
PURCHASE OF EQUIPMENT FOR SALE OR RENTAL	(21,602)	(17,081)
INCREASE IN ACCOUNTS RECEIVABLE	(7,855)	(2,357)
DECREASE IN PREPAID EXPENSES	355	172
FUNDS PROVIDED FROM OPERATIONS	1,711	4,960
INVESTING ACTIVITES		
INCREASE IN LEASES RECEIVABLE	(6,010)	(3,227)
PURCHASE OF FIXED ASSETS	(1,157)	(1,300)
FUNDS USED IN INVESTING ACTIVITIES	(7,167)	(4,527)
FINANCING ACTIVITIES		
ISSUE OF LONG-TERM DEBT	3,200	1,911
PAYMENT OF LONG-TERM DEBT	(187)	(350)
PROCEEDS ON ISSUE OF CAPITAL STOCK	109	212
PURCHASE OF CAPITAL STOCK	(37)	(185)
FUNDS PROVIDED FROM FINANCING ACTIVITIES	3,085	1,588
DIVIDENDS	(312)	(313)
(DECREASE) INCREASE IN CASH	(2,683)	1,708
BANK INDEBTEDNESS, BEGINNING OF YEAR	(303)	(2,011)
BANK INDEBTEDNESS, END OF YEAR	$ (2,986)	$ (303)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1992 AND 1991 (DOLLARS IN THOUSANDS EXCEPT FOR PER SHARE DATA)

THE COMPANY, INCORPORATED UNDER THE CANADA BUSINESS CORPORATIONS ACT, CARRIES ON THE BUSINESS OF COMPUTER EQUIPMENT SALES, RENTAL AND LEASING OPERATIONS UNDER THE NAME HAMILTON COMPUTER SALES AND RENTALS.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) LEASE ACCOUNTING:

THE COMPANY ENTERS INTO TWO PRINCIPAL TYPES OF LEASING TRANSACTIONS. LEASES THAT TRANSFER SUBSTANTIALLY ALL OF THE BENEFITS AND RISKS OF OWNERSHIP OF THE EQUIPMENT TO THE LESSEE AT THE INCEPTION OF THE LEASE ARE ACCOUNTED FOR AS SALES-TYPE LEASES. SALES-TYPE LEASES INCLUDE A DEALER PROFIT. ALL OTHER LEASES ARE ACCOUNTED FOR AS OPERATING LEASES.

THE ACCOUNTING FOR THESE LEASES IS AS FOLLOWS:

SALES-TYPE LEASES: AT THE INCEPTION OF THE LEASE, THE PRESENT VALUE OF MINIMUM LEASE PAYMENTS AND ESTIMATED RESIDUAL VALUE IS RECORDED AS GROSS INCOME AND LEASES RECEIVABLE. EQUIPMENT COST IS RECORDED AS DIRECT COSTS. FINANCE INCOME IS RECORDED AS GROSS INCOME OVER THE LEASE TERM, CALCULATED TO PRODUCE A CONSTANT RATE OF RETURN ON THE INVESTMENT.

OPERATING LEASES: MONTHLY RENTALS ARE RECORDED AS GROSS INCOME.

INITIAL LEASE ACQUISITION COSTS AND SALES COMMISSIONS ARE EXPENSED AS INCURRED.

(B) EQUIPMENT FOR SALE OR RENTAL:

EQUIPMENT FOR SALE IS RECORDED AT THE LOWER OF COST AND NET REALIZABLE VALUE.

EQUIPMENT FOR RENTAL IS RECORDED AT THE LOWER OF COST LESS ACCUMULATED DEPRECIATION, AND NET REALIZABLE VALUE. DEPRECIATION IS PROVIDED ON EQUIPMENT FOR RENTAL ON A STRAIGHT-LINE BASIS AT AN ANNUAL RATE OF 25%. THE CARRYING VALUE OF SPECIFIC EQUIPMENT IS WRITTEN DOWN TO CURRENT ESTIMATED NET REALIZABLE VALUE WHERE TECHNOLOGICAL CHANGE OR OTHER FACTORS REDUCE THE ORIGINALLY ESTIMATED USEFUL LIFE.

(C) FIXED ASSETS:

FIXED ASSETS ARE RECORDED AT COST LESS ACCUMULATED DEPRECIATION.

EQUIPMENT IS DEPRECIATED ON A STRAIGHT-LINE BASIS, AT AN ANNUAL RATE OF 25%. LEASEHOLD IMPROVEMENTS ARE AMORTIZED ON A STRAIGHT-LINE BASIS OVER THE TERM OF THE RELATED LEASE.

2. EQUIPMENT FOR SALE OR RENTAL

	1992	1991
EQUIPMENT FOR RENTAL, AT COST	$ 28,345	$ 32,628
LESS ACCUMULATED DEPRECIATION	13,862	15,359
	14,483	17,269
EQUIPMENT FOR SALE	12,869	10,033
	$ 27,352	$ 27,302

EQUIPMENT FOR RENTAL, IS AVAILABLE FOR OPERATING LEASES, SALES-TYPE LEASES AND FOR SALE. A SIGNIFICANT PORTION OF THIS EQUIPMENT MAY BE SOLD IN THE NEXT YEAR AND, ACCORDINGLY IT HAS BEEN CLASSIFIED AS A CURRENT ASSET IN THE BALANCE SHEETS.

3. LEASES RECEIVABLE

	1992	1991
MINIMUM LEASE PAYMENTS RECEIVABLE	$ 17,525	$ 11,293
UNEARNED FINANCE INCOME	(3,824)	(2,613)
ESTIMATED RESIDUAL VALUES	3,538	2,549
	17,239	11,229
LESS CURRENT PORTION	(8,032)	(5,232)
	$ 9,207	$ 5,997

GROSS INCOME INCLUDES FINANCE INCOME OF 1992- $2,564 AND 1991- $1,620

MINIMUM LEASE PAYMENTS TO BE RECEIVED BY THE COMPANY ARE AS FOLLOWS

	1992	1991
1992	$ –	$ 6,486
1993	8,756	3,387
1994	5,501	1,195
1995	2,606	186
1996	612	39
1997	50	–
	$ 17,525	$ 11,293

4. FIXED ASSETS

	1992	1991
EQUIPMENT	$ 4,208	$ 3,257
LEASEHOLD IMPROVEMENTS	898	740
	5,106	3,997
LESS ACCUMULATED DEPRECIATION AND AMORTIZATION	2,721	1,701
	$ 2,385	$ 2,296

5. SECURITY FOR INDEBTEDNESS

(A) BANK INDEBTEDNESS, REVOLVING TERM LOAN AND TERM LOAN:

BANK INDEBTEDNESS, REVOLVING TERM LOAN AND THE TERM LOAN ARE SECURED BY A DEMAND DEBENTURE, A FLOATING CHARGE ON ALL ASSETS OF THE COMPANY, A GENERAL ASSIGNMENT OF ACCOUNTS RECEIVABLE, AN ASSIGNMENT OF EQUIPMENT FOR SALE OR RENTAL, A MASTER ASSIGNMENT AGREEMENT OF LEASES AND A GENERAL SECURITY AGREEMENT.

(B) SUBORDINATED DEBENTURES:

SUBORDINATED DEBENTURES ARE SECURED BY A FLOATING CHARGE ON ALL ASSETS AND UNDERTAKINGS OF THE COMPANY BUT SUBORDINATE TO THE SECURITY ON BANK INDEBTEDNESS, REVOLVING TERM LOAN AND TERM LOAN.

(C) OTHER:

THE COMPANY HAS GRANTED A SECURITY INTEREST IN CERTAIN EQUIPMENT FOR SALE TO SECURE ACCOUNTS PAYABLE OF $3,040 AND $790 AT APRIL 30, 1992 AND 1991 RESPECTIVELY.

6. LONG-TERM DEBT

	1992	1991
SUBORDINATED DEBENTURES	$ 10,000	$ 10,000
REVOLVING TERM LOAN	9,400	6,200
TERM LOAN	424	611
	19,824	16,811
LESS: CURRENT PORTION	6,403	1,403
	$ 13,421	$ 15,408

THE SUBORDINATED DEBENTURES MATURE APRIL 30, 1995. THE INTEREST RATE IS SET QUARTERLY AT 90 DAY SCHEDULE A BANKER'S ACCEPTANCE INTEREST RATE PLUS 2%, PAYABLE SEMI-ANNUALLY. THE SUBORDINATED DEBENTURES ARE REDEEMABLE AT FACE VALUE PLUS THE PRESENT VALUE OF INTEREST AT 2% PER ANNUM FROM THE DATE OF REDEMPTION TO APRIL 30, 1995, DISCOUNTED AT THE GOVERNMENT OF CANADA BOND RATE FOR A LIKE TERM. IN MAY 1990 THE COMPANY ARRANGED AN INTEREST RATE SWAP AGREEMENT FOR $5,000 OF THE SUBORDINATED DEBENTURES TO EFFECTIVELY ESTABLISH A FIXED RATE OF 15.29% TO MATURITY.

THE REVOLVING TERM LOAN IS COMPRISED OF BANKER'S ACCEPTANCES, OF WHICH $6,200 BEAR INTEREST AT RATES BETWEEN 7.72% AND 14.85% AND ARE DUE $5,400 IN 1993 AND $800 IN 1994. ON $3,200 THE COMPANY ARRANGED INTEREST RATE SWAP AGREEMENTS TO EFFECTIVELY ESTABLISH FIXED RATES BETWEEN 8.30% AND 9.10% MATURING $1,000 IN 1993 AND $2,200 IN 1994.

7. CAPITAL STOCK

(A) THE CAPITAL STOCK IS COMPRISED OF CLASS A AND CLASS B SHARES WITHOUT PAR VALUE. THE CLASS A AND CLASS B SHARES ARE FULLY VOTING AND ARE CONVERTIBLE INTO EACH OTHER ON A ONE-FOR-ONE BASIS.

(B) SUMMARY OF CHANGES IN SHARES AND STATED VALUE:

	CLASS A SHARES	CLASS B SHARES	STATED VALUE
BALANCE, APRIL 30, 1990	2,592,527	1,011	$ 10,879
ISSUED UNDER STOCK OPTION PLAN	10,000	–	64
ISSUED UNDER 1985 EMPLOYEE SHARE PURCHASE PLAN	8,344	–	73
ISSUED UNDER CONVERSION OF 12% CONVERTIBLE SUBORDINATED DEBENTURES	7,894	–	75
PURCHASED AND CANCELLED	(19,342)	–	(83)
BALANCE, APRIL 30, 1991	2,599,423	1,011	11,008
ISSUED UNDER STOCK OPTION PLAN	10,000	–	43
ISSUED UNDER 1985 EMPLOYEE SHARE PURCHASE PLAN	6,238	–	66
PURCHASED AND CANCELLED	(3,600)	–	(15)
BALANCE, APRIL 30, 1992	2,612,061	1,011	$ 11,102

(C) 1985 EMPLOYEE SHARE PURCHASE PLAN AND STOCK OPTION PLAN:

THE 1985 EMPLOYEE SHARE PURCHASE PLAN PROVIDES ELIGIBLE EMPLOYEES WITH THE OPPORTUNITY TO PURCHASE SHARES ANNUALLY THROUGH A PAYROLL DEDUCTION PLAN. THE PLAN PROVIDES FOR EMPLOYEES TO CONTRIBUTE UP TO 5% OF THEIR ANNUAL EARNINGS TO PURCHASE SHARES.

THE STOCK OPTION PLAN PROVIDES ELIGIBLE EMPLOYEES WITH THE OPTION TO PURCHASE SHARES AT A PRICE EQUAL TO THE CURRENT MARKET PRICE OF SHARES ON THE DATE OF THE GRANT. AT APRIL 30, 1992 AND 1991, OPTIONS FOR 147,500 AND 157,500 SHARES RESPECTIVELY HAVE BEEN GRANTED AT PRICES OF $4.27 - $9.75 PER SHARE. THE OPTIONS EXPIRE AT VARIOUS DATES FROM, NOVEMBER 1992 TO SEPTEMBER 1995.

THE NUMBER OF SHARES WHICH MAY BE ISSUED UNDER THE 1985 EMPLOYEE SHARE PURCHASE PLAN TOGETHER WITH THOSE ISSUED UNDER THE STOCK OPTION PLAN, MUST NOT EXCEED IN AGGREGATE 10% OF THE OUTSTANDING SHARES.

8. GAIN ON SALE OF SUBSIDIARY

DURING THE YEAR, THE COMPANY CONCLUDED THE DISPOSITION OF ITS FORMER SUBSIDIARY HGL SOFTWARE LIMITED AND RECOGNIZED AN ADDITIONAL GAIN ON THE SALE OF $453.

9. INCOME TAXES

	1992	1991
A RECONCILIATION COMPARING THE EXPECTED TAX RATE AND THE EFFECTIVE TAX RATE ON INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM IS AS FOLLOWS:		
BASIC FEDERAL AND PROVINCIAL STATUTORY TAX RATE	43.3%	42.9%
GAIN ON SALE OF SUBSIDIARY	(3.4)	–
EFFECTIVE TAX RATE	39.9%	42.9%

10. SEGMENTED INFORMATION

THE DIRECTORS HAVE DETERMINED THAT THE COMPANY OPERATES IN ONE BUSINESS SEGMENT OF COMPUTER EQUIPMENT SALES, RENTAL AND LEASING IN CANADA.

11. COMMITMENTS

THE COMPANY HAS COMMITMENTS UNDER OPERATING LEASES FOR PREMISES AND OFFICE EQUIPMENT AND THE AGGREGATE MINIMUM AMOUNT THAT WILL BE INCURRED AS ANNUAL PAYMENTS IS AS FOLLOWS:

1992	$ –	$ 1,517
1993	1,922	1,392
1994	1,806	1,334
1995	1,120	1,075
1996	918	911
1997	905	903
THEREAFTER	2,339	2,336

12. COMPARATIVE FIGURES

CERTAIN OF THE FIGURES PRESENTED FOR COMPARATIVE PURPOSES HAVE BEEN RECLASSIFIED TO CONFORM WITH THE CURRENT YEAR'S PRESENTATION.

CORPORATE INFORMATION

DIRECTORS

DR. H. DOUGLAS BARBER
PRESIDENT, GENNUM CORPORATION

RONALD C. BROWN
PARTNER, BLAKE, CASSELS & GRAYDON

ROGER L. MARTIN*
CHAIRMAN, MONITOR COMPANY CANADA LIMITED

JOHN H. PHILLIPS
PARTNER, BLAKE, CASSELS & GRAYDON

EDWARD B. PRIESTNER
CHAIRMAN OF THE BOARD, WESTINGHOUSE CANADA INC.

ALAN B. YOUNG
PRESIDENT,
ALAN B. YOUNG HOLDINGS LIMITED

G. DOUGLAS YOUNG
MANAGING DIRECTOR,
YOUNG WARNICK CUNNINGHAM

WILLIAM J. YOUNG
PRESIDENT,
THE HAMILTON GROUP LIMITED

PATRICIA L. NIELSEN
VICE-PRESIDENT,
SERVICES DIVISION
THE HAMILTON GROUP LIMITED

HONORARY DIRECTOR

JAMES M. YOUNG

*CHAIRMAN OF THE AUDIT COMMITTEE

OFFICERS

WILLIAM J. YOUNG
PRESIDENT

PATRICIA L. NIELSEN
VICE-PRESIDENT,
SERVICES DIVISION

PERRY M. MONYCH
VICE-PRESIDENT,
FINANCE & PLANNING,
SECRETARY

STEPHEN F.W. MEADLEY
VICE-PRESIDENT,
& CONTROLLER

ROBERT BOULET
VICE-PRESIDENT, PERSONAL COMPUTER DIVISION

RON W. LEEDER
VICE-PRESIDENT,
SYSTEMS DIVISION

INVESTOR INFORMATION

HEAD OFFICE

5985 MCLAUGHLIN ROAD
MISSISSAUGA, ONTARIO
L5R 1B8
TEL: (416) 568-4111
FAX: (416) 568-3971

FURTHER INFORMATION

PLEASE CONTACT THE SECRETARY,
THE HAMILTON GROUP LIMITED.

ANNUAL MEETING

THE 1992 ANNUAL MEETING WILL BE HELD AT 4:30 P.M. ON OCTOBER 15, 1992 AT 5985 MCLAUGHLIN ROAD, MISSISSAUGA, ONTARIO.

LISTING OF STOCK

TORONTO STOCK EXCHANGE SYMBOL:
HGL.A
NEWSPAPER SYMBOL:
HAMILTON GROUP A

DIVIDENDS

QUARTERLY CASH DIVIDENDS OF $0.03 PER SHARE WERE PAID IN FISCAL 1992.

REGISTRAR AND TRANSFER AGENT

R-M TRUST COMPANY

BANKER

BARCLAYS BANK OF CANADA

SOLICITORS

BLAKE, CASSELS & GRAYDON

AUDITORS

KPMG PEAT MARWICK THORNE

HAMILTON GROUP LIMITED

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FAX: (403) 291-0852

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EDMONTON, ALBERTA
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GROUP LIMITED

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